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CHARLES ELMORE

IN THE

Supreme Court of the United States.

OCTOBER TERM, 1929.

No. 48

AMERICAN FRUIT GROWERS, INC.,

Petitioner,

vs.

BROGDEX COMPANY,

Respondent.

BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1929.

No. 667.

AMERICAN FRUIT GROWERS, INC.,
Petitioner,

v.

BROGDEX COMPANY,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

The several propositions advanced by the petitioner in this case raise only questions respecting the validity of the patent in suit and its infringement.

Those questions have been decided against the petitioner by both the District Court and the Court of Appeals for the Third Circuit (35 Fed. 2nd 106), after most careful consideration and fullest argument; and the Court of Appeals denied a formal application for rehearing.

There is no ground presented for the review of the case by this Court that might not be advanced by any defeated defendant in a patent suit who is not satisfied with the decision of the lower courts. The decree standing in the cause is interlocutory, not final. There is no question of national interest or large importance involved. There is no conflict of decision between different Courts of Appeals; on the contrary the Circuit Court of Appeals for the Second Circuit cited the

decision in this case with approval in an opinion filed February 3, 1930 in *American Patents Development Corp.* vs. *Carbice Corporation of America*, reported on page 7 of the United States Daily of February 22 and 24, 1930.

1. **The Lower Courts Followed the Well Settled Law in Sustaining the Article Claims as Properly for an Article of Manufacture.**

In representing (Petition, p. 5) the Court of Appeals as

> "holding that a fresh orange is an article of manufacture"

petitioner does not correctly state what that Court actually did hold. The Court said (Tr., Vol. I, p. 708):

> "The product claims define an article of manufacture, since the fruit is the result of a process which is defined and described and not a natural product. The product is a combination of the natural fruit and a boric compound carried by the rind or skin in an amount sufficient to render the fruit resistant to decay. The complete article is not found in nature and is thus an article of manufacture. *Riter-Conley Mfg. Co.* v. *Aiken et al.*, 203 Fed. 699,"

which is a very different matter.

In other words, the novel article or product here in question is an orange, which, as the result of treatment by the process of the patent in suit, carries on its rind a small but definitely ascertainable quantity of borax rendering the orange resistant to blue mold decay, which attacks through lesions in the rind.

Petitioner does not deny that the article thus defined is not found in nature—does not deny that the article is solely the result of a manufacturing operation, *i. e.*, mechanically performed handling and treatment in the packing house, by which an orange (in its natural state and readily a prey to blue mold decay by reason of surface wounds received before or during its handling in the packing house) is converted into an orange which carries an externally applied

protective substance on its surface endowing it with resistance to decay. Admittedly petitioner practiced that manufacturing operation and produced that novel product, and the courts below so held. But not until 1924 did petitioner do this, although for years it had been in the business of packing and marketing fresh fruit. It was in the fall of 1924, so petitioner says (page 2), that it adopted the borax treatment upon the recommendation of the Department of Agriculture. As the record shows, that recommendation was in the form of letters from the Department, (Tr., Vol. I, p. 155, Vol. II, p. 907), which were written *more than a year after* the application for the patent in suit had been filed in the Patent Office and which faithfully followed the procedure disclosed in that application even to the details. These letters were written, moreover, some *nine months or more* after respondent had put the borax treatment into full commercial operation in a packing house at Walnut, California, where it was under observation by experts of the California Fruit Growers Exchange and by Barger, a representative of the Department of Agriculture (Tr., Vol. I, pp. 56-7, 303-4).

As a matter of fact, it is sufficiently evident that in reality petitioner is not interested in the question whether the protected fruit is or is not properly classifiable as an article of manufacture. A mere holding that it belongs in one of the other statutory classes of invention would avail petitioner nothing. There would remain an outstanding invention which both courts below found from the facts of record to be of primary importance and clearly patentable. What petitioner really seeks, therefore, is to have this Court review the ordinary questions—*i. e.*, the validity of the patent, the scope of the invention, and its use by petitioner, and to determine whether the District Court and the Court of Appeals were right in their interpretation of the facts upon which the answers to these questions are based. In the absence of conflicting decisions by different Courts of Appeals such a review has been consistently refused by this Court. Also,

this Court has frequently held that, both of the lower courts concurring, their findings will not be disturbed. *Consolidated Bag Co.* v. *Eastern Bag Co.,* 210 U. S. 405.

However, what constitutes an article of manufacture within the meaning and purpose of the patent statutes presents no new question of law for determination by this Court. Although the case of *Tide Water Oil Company* v. *United States,* 171 U. S. 210,216, involved a tariff question, this Court therein laid down a broad definition of "manufacture" as denoting

> "an article upon the material of which labor has been expended to make the finished product."

Curtis on Patents (3d Edn.) Section 27, foot-note, says:

> "Perhaps the best general definition of the term 'manufacture' as the subject of a patent, would be, any new combination of old materials constituting a new result or production, in the form of a vendible article, not being machinery."

See also *Robinson on Patents,* Section 183.

"The term 'manufacture', as used in the patent law, has a very comprehensive sense, embracing whatever is made by the art or industry of man, not being a machine, a composition of matter, or a design". *Johnson* v. *Johnston,* 60 Fed. 618,620. See also:

> *Riter-Conley Mfg. Co.* v. *Aiken,* 203 Fed. 699,703 (C. C. A. 3); *certiorari denied,* 229 U. S. 617.
> *American Patents Development Corp.* v. *Dry Ice Corp.* (C. C. A. 2), cited *supra.*

The petition for certiorari which was denied in the *Riter-Conley* case (*supra*) was based wholly on this very question of what is an article of manufacture, and the respondent in that case called attention in its opposing brief to the decisions of this Court in *Tide Water* v. *United States* (*supra*) and *Friday* v. *Hall,* 216 U. S. 451.

The tagged oyster case (*Armstrong Seatag Corporation* v. *Smith's Island Oyster Co.*, 254 Fed. 821) has no application here. The Court there merely found that neither an oyster nor a spring chicken becomes an article of manufacture "simply because of being tagged". That is to say, the oyster remained the same oyster, and the chicken the same chicken, both absolutely unchanged in any respect. Affixing the tag endowed neither of them with any characteristic or property which it did not already possess.

In the present case, the situation is altogether different. Respondent's treated orange is not the same orange it was before treatment. Its rind, and especially any rind tissue which may be exposed by scratches, cuts or other injuries, however minute and practically invisible they may be, carries borax which functions to endow it with characteristics it did not previously possess, namely, ability to resist the ravages of blue mold decay. For this reason it is no longer the same thing as an orange in the natural untreated state. It is a new and different orange, positively and accurately distinguishable from the untreated orange by chemical examination of its rind and by its keeping qualities. And it results from a definite manipulation of or operation upon a natural orange, that is, it is "made by the art or industry of man", and since it is obviously not classifiable as a machine, a composition of matter, or a design, it is clearly an article of manufacture.

The tariff cases cited by the petitioner, as defining a manufacture in some narrower sense, have no bearing upon what is an article of manufacture under the *patent* laws. All that the petitioner has to say as to the *tariff* decisions was said by it before the Circuit Court of Appeals, which rightly disregarded those cases. The reason for the inapplicability of such tariff cases is obvious. Thus, in determining whether or not a certain natural product which has received some treatment comes under a designation "manufactures of * * *" in the *tariff schedule*, there seems to be a basic principle applied by the courts, to aid them in reaching a con-

clusion, viz: Is the *use* the same after the treatment as before? If the use is different, then the resultant article comes under the classification "manufactures of * * *", but if the *use* is the same, then this seems to determine that the article does not come under said designation.

So a *bottle-cork imported* into this country and subjected to considerable treatment here, but when finished *still serving as a bottle cork*, has the same use as before and therefore is not considered as coming under the tariff designation "manufactures of cork", for the purpose of a drawback or rebate when exported as a *cork* in a beer bottle containing export beer. Hence, the Courts in discussing articles of manufacture in connection with the *tariff laws* have entirely different rules of construction than when considering the patent statutes.

It appears, therefore, that the ruling of the Court of Appeals in the present case is wholly in harmony with the rulings of this Court and of other Courts as to what is an article of manufacture as contemplated by the patent statutes. The only conflict here is between the views of petitioner and the rulings of two United States Courts both of which have held respondent's admittedly new combination of an orange with a protective surface coating of borax, applied thereto in small quantity by appropriate treatment, to come properly within the definitions of an article of manufacture heretofore laid down by the Courts.

2. The Patent Was Not Sustained on the Ground that the Patentees Discovered a New Theory to Fit an Old Procedure.

Petitioner in its second proposition (p. 6) attempts to raise a fictitious issue. As developed in the supporting brief (pp. 15-18) where the Court of Appeals' opinion is inadequately quoted, this proposition amounts to an assertion that, as a matter of fact, the Court of Appeals found the process to be old, but held the process claims in suit to be valid

because the patentees had evolved an explanation or theory of operation for that old process different from that previously advanced.

The Court of Appeals made no such holding. On the contrary, the Court held that borax had *not* been used previously for treating fresh fruit to prevent decay. What the Court did was to point out a probable reason *why* there had been no such prior use, namely, because the experts in the art had been obsessed with the idea that decay could be prevented only by *killing* the decay spores, which meant using chemicals so strong as to injure the fruit. In other words, the remedy would be as bad as the disease. The Court said

> "As we interpret the language of Dr. Gore, it was an inference on his part that Dr. Powell did not adopt and follow out this experiment because of the agitation in connection with the Pure Food Law which did not come into existence for two years. Dr. Powell, and others working with him, did, as a matter of fact, use and experiment with chemicals until they reached the conclusion that they were ineffective and could not be used as inhibitive reagents on citrus fruit because they had the idea that the spores must be destroyed and any chemicals strong enough to kill them would injure the fruit or were too expensive. Strong toxic chemicals of positive fungicidal action, such as copper sulphate, ammoniacal copper carbonate, bichloride of mercury and the like were used for killing the spores. The idea of killing spores instead of inhibiting them led directly away from anything like borax treatment. Dr. Powell never once even hinted to the trade that borax or any chemical could not be used for any such reason as given by Dr. Gore or the defendant, but with other pomologists and horticulturists in general thought that spores had to be destroyed by means of strong chemicals.
>
> The patentees proceeded upon a different theory. It was their idea, not to destroy spores, but by means of antiseptic borax solution seal the broken places in the citrus rind that had been punctured and thus close to the spores avenues through which they entered the fruit. The borax solution thus inhibits rather than kills the spores." (Tr., Vol. I, pp. 711-712).

3. The Invention Solved a Difficult Problem in a Way Declared Impossible by the Experts, and It Satisfied a Long-Felt Want.

Petitioner contends that, conceding borax never to have been used before for treating fresh fruit to prevent blue mold, there was nothing patentable in this specific application of borax in view of its application as a *preservative* in other fields.

This is sufficiently answered by the following language used by the Court of Appeals:

> "There is no question about the need of some kind of inhibiting agent to prevent blue mold decay, nor about the search of the industry for it. From 1902 to the invention in 1923 the entire industry engaged in growing, packing and selling citrus fruit, departments of agriculture of states and the federal government, together with such eminent horticulturists and pomologists as Powell, Hart, Tenny, Woodworth, Dyer, Fawcett, McKay, Skinner, Sadler, Ramsey Mann, Holton, Stubenrauch and others were earnestly and laboriously in a concerted and continuous effort studying the problem of finding something to prevent blue mold decay. Concentrated study and continuous cooperation among growers, packers, dealers and scientific men who investigated the subject resulted in the conclusion that the only way to stop or minimize blue mold decay was to prevent injury to the fruit by careful handling and by refrigeration. The opinion was practically unanimous that chemical treatment was not helpful but harmful.
>
> * * * * * *
>
> All the literature sent out in 1924 by the various citrus Exchanges and Associations shows that the borax treatment was something new and a distinct departure from any treatment known and followed theretofore, and was remarkably effective in preventing blue mold decay. At the same time government publications and trade journals were taking up the discussion of the borax treatment as a new treatment."

And by that treatment an article was produced which had never before existed and for which the whole art had long been seeking.

4. There is No Question of Large Importance to the Public Involved Here.

Licenses under the patent are available to fresh fruit packers and shippers on a reasonable royalty basis. On the other hand, those who are content with the old methods previously in use are perfectly free to continue those old practices. Nothing has been taken away from them.

In support of its argument that the present case involves a question of large importance to the public, petitioner depicts (pp. 7 and 21) the alleged parlous state of dealers and consumers who are said to have no way of knowing whether fruit in market infringes or not.

In the first place, this raises a question not before this Court, because petitioner is in no such doubt about the fruit which it sells. Petitioner stands here convicted of having committed a tort with full knowledge of what it was doing.

Furthermore, infringing fruit is readily identified by chemical test (Tr., Vol. I, pp. 139-140). The supposed difficulty is no greater here than in the case of manufactures such as metal alloys, dyes, etc. which are commonly the subject matter of patents. In such cases, the fact of infringement or non-infringement cannot be ascertained merely upon inspection but only by some chemical or physical test.

It is respectfully submitted that the petition herein should be denied.

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March 7, 1930.